REMARKS

Claims 1, 3-14, and 16-20, all the claims pending in the application, stand rejected on prior art grounds. Applicants respectfully traverse these rejections based on the following discussion.

I. The Prior Art Rejections

Claims 1, 3-14, and 16-20 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Walker, et al (U.S. Publication No. 2002/0095355), hereinafter referred to as Walker, in view of Official Notice. Applicants respectfully traverse these rejections based on the following discussion.

First, Applicants note that Walker is not prior art and has a filing date after the filing date of the present application. Further the provisional on which Walker was based does not include the disclosure relied upon in the rejection.

The claimed invention provides methods for verifying a value of goods on a supplier invoice. First, the method compiles daily input of supplier invoice data into a weekly statistical sample of supplier invoices. The sampling size equals exactly a total number of all supplier invoices compiled. A first value (import declaration value) and a second value (payment invoice value) of imported goods are inputted. If the first value does not equal the second value, then a user is alerted; if the first value equals the second value, then an automated payment is made.

In the rejection, the Office Action argues that Walker discloses many features of the claimed invention. However, Walker does not mention making automated payments

or comparing the value claimed on an import declaration with the value claimed on a payment invoice. Nothing within Walker mentions the conditions for payment. Therefore, as explained in greater detail below, Applicants respectfully submit that the prior art of record does not teach or suggest the claimed invention.

First of all, Applicants submit that portions of Walker relied upon by the Office Action do not constitute prior art under 35 U.S.C. §103(a). More specifically, the Office Action relies upon paragraph 0014 of Walker to reject Applicants' claims (Office Action, p. 3). However, paragraph 0014 of Walker was not disclosed in the provisional application of Walker (No. 60/262,484), which was filed on January 18, 2001. Moreover, Applicants' filing date of October 18, 2001 precedes Walker's filing date of July 18, 2002. Accordingly, Applicants submit that Walker's teaching of "[p]ayment on the part of the buyer and collection on the part of the seller are finalized" (para. 0014) was not disclosed prior to Applicants' filing date; and, as such, does not constitute prior art under 35 U.S.C. §103(a).

The Office Action argues that the use of paragraph 0014 of Walker is proper "because the paragraph is within the Description of Prior Art section of the disclosure" (Office Action, p. 5, para. 3). Thus, the Office Action reasons that "Walker is not disclosing a new form of payment ... but is stating [the] prior art" (Office Action, p. 5, para. 3).

Applicants submit that regardless of what Walker is stating in paragraph 0014, whatever paragraph 0014 states was disclosed <u>after</u> Applicants' filing date. In other

words, no matter what is stated in paragraph 0014 of Walker, paragraph 0014 does not

constitute prior art under 103 because it was filed _after_ Applicants' filing date.

A reference having a date of January 17, 2002 is not a prior art reference for an

application filed on October 18, 2001. The only thing that Walker shows is what was

known before January 17, 2002, which could mean January 16, 2002 (well after the filing

date of the present application).

In addition, Applicants traverse the rejections because Walker fails to disclose the

claimed features wherein "said inputting of said first value comprising inputting a value

claimed on an import declaration ... said inputting of said second value comprising

inputting a value claimed on a payment invoice ... alerting a user if said first value does

not equal said second value; and making an automated payment if said first value equals

said second value" (independent claims 1, 8, 14).

On page 6, paragraph 2, the Office Action argues that Walker discloses

declarations (para. 0087) and payment invoices (para. 0050). However, Walker fails to

disclose comparing the value claimed on an import declaration with the value claimed on

a payment invoice, wherein a user is alerted if the values are not equal, and wherein an

automated payment is made if they are equal. The Office Action argues that such

features are disclosed in paragraphs 0087-0088 of Walker (Office Action, p. 6, para. 2).

Applicants respectfully disagree and submit that nothing within Walker, including the

portions cited by the Office Action, compares the value claimed on an import declaration

with the value claimed on a payment invoice.

Instead, Walker only discloses reviewing compliance for "labeling/packaging, product certifications, pre-shipment inspections, origin certifications, import licenses/quotas, hazmat labeling/packaging, declarations, export licensing/restrictions, and country/region/international standards" (Walker, para. 0087). Walker also discloses "additional compliance activities, such as product marking or additional declarations or certifications, facilitates allocating the responsibilities for each activity to either the buyer or seller, and captures and itemized any additional costs associated with each compliance activity" (Walker, para. 0088).

Nevertheless, none of the compliance regulations discussed in Walker relate to whether the value claimed on an import declaration matches the value claimed on a payment invoice. Therefore, it is Applicants' position that Walker fails to disclose the claimed features wherein "said inputting of said first value comprising inputting a value claimed on an import declaration ... said inputting of said second value comprising inputting a value claimed on a payment invoice ... alerting a user if said first value does not equal said second value; and making an automated payment if said first value equals said second value" (independent claims 1, 8, 14).

In addition, Applicants traverse the rejections because Walker fails to teach or suggest the claimed features of comparing a first value comprising a *value claimed on an import declaration* with a second value comprising a *value claimed on a payment invoice*. Such features are defined in independent claims 1, 8, and 14 using similar language.

More specifically, as discussed in Applicants' disclosure abstract, a system and method for verifying the value of goods on a supplier invoice comprises inputting a first value (*import declaration value*) and second value (*payment invoice value*) of imported goods in a computer system, and comparing the values. Next, a user is alerted if the values are unequal, or a payment is made if the values are equal. Then, the process is repeated for subsequent invoices. The values are compared for every occurrence, or alternatively, it occurs selectively. The method further comprises selecting a statistical sample of invoices having the first value greater than a predetermined amount. Alternatively, the method comprises selecting a statistical random sample from all invoices in the system, and identifying an amount of occurrences of unequal values, attributed to a common supplier. Then, all invoices of the common supplier are selected if the amount of occurrences exceeds a predetermined amount, and the user is alerted.

To the contrary, nothing within Walker mentions making automated payments. Moreover, nothing within Walker mentions comparing the value claimed on an import declaration with the value claimed on a payment invoice. Applicants submit that nothing within Walker mentions the conditions for payment.

Instead, Walker merely discloses, in paragraph 0014, that "[p]ayment on the part of the buyer and collection on the part of the seller are finalized". However, as more fully described above, paragraph 0014 was not disclosed prior to Applicants' filing date and does not constitute prior art under 35 U.S.C. §103(a).

Accordingly, Applicants submit that Walker does not mention making automated payments or comparing the value claimed on an import declaration with the value

claimed on a payment invoice. Nothing within Walker mentions the conditions for payment. Therefore, it is Applicants' position that Walker fails to teach or suggest the claimed features wherein "said inputting of said first value comprising inputting a value claimed on an import declaration … said inputting of said second value comprising inputting a value claimed on a payment invoice … alerting a user if said first value does not equal said second value; and making an automated payment if said first value equals said second value" as defined by independent claims 1 and 14. Further, Walker fails to teach or suggest the claimed features "wherein said first value comprises a value claimed on an import declaration, and wherein said second value comprises a value claimed on a payment invoice … an alert component adapted to alert a user if said first value does not equal said second value; and a payment system adapted to make an automated payment if said first value equals said second value" as defined by independent claim 8.

In addition, the Office Action expressly admits that "Walker does not disclose where daily data is compiled into a weekly statistical sample" (Office Action, p. 4, para. 2). However, the Office Action argues that such features would be obvious because "the technique of statistical sampling is old and well known" (Office Action, p. 4, para. 2). Therefore, the Office Action concludes that "[g]athering data on a daily basis and generating weekly statistics therefrom would be obvious" (Office Action, p. 4, para. 2).

First of all, Applicants traverse the taking of Official Notice and submit that it is not well known to gather supplier invoice data on a daily basis and to generate a weekly sample of supplier invoices therefrom.

The Office Action does not provided any support within the prior art to suggest that that it would be obvious to compile supplier invoice data on a daily basis and to generate a sample of the supplier invoices on a weekly basis. Instead, the Office Action merely states that "the technique of statistical sampling is old and well known" (Office Action, p. 4, para. 2) without giving an example of such sampling within the art field of invoiced goods.

Furthermore, neither Walker nor the Official Notice teaches or suggests that a sampling size of the statistical sample equals exactly a total number of all supplier invoices compiled. Instead, Walker and the Official Notice fail to disclose a statistical sample and the sampling sizes thereof.

In addition, Applicants submit that Walker teaches away from the Official Notice. Specifically, Walker teaches that a commercial transaction requires an "Extended Time of Process", wherein "[w]eeks--even months--may pass with seemingly little being accomplished" (Walker, para. 0021). Therefore, Applicants submit that Walker teaches away from compiling a *daily* input of supplier invoice data into a *weekly* statistical sample of supplier invoices. In other words, because Walker teaches that a commercial transaction can take *months* to process, it would not be obvious to compile supplier invoice data on a *daily* basis.

As discussed in paragraph 0021 of Walker (titled "Extended Time of Process"), international trade transactions are generally not "immediate" transactions. The process usually takes longer than domestic equivalents, requiring more management control, more professional intermediary service providers, and more "process knowledge"

regarding timing and the responsibilities of each party. Weeks--even months--may pass with seemingly little being accomplished, yielding to a period of a few days with many deadlines and key dates.

As further discussed in paragraph 0023 of Walker, an international trade transaction is a set of multiple tasks, or events, requiring in-depth process and country-specific regulatory knowledge and adequate resources to manage the process, carried out over an extended period of time.

Accordingly, Applicants submit that it would not have been obvious to compile supplier invoice data on a daily basis and to generate a sample of the supplier invoices on a weekly basis. Instead, Walker teaches that a commercial transaction can take *months* to process. Therefore, it is Applicants' position that the prior art of record fails to teach or suggest the claimed features of "compiling a daily input of supplier invoice data into a weekly statistical sample of supplier invoices … wherein said sampling size equals exactly a total number of all supplier invoices compiled in said data processing system" as defined by independent claims 1 and 14. Further, the prior art of record fails to teach or suggest the claimed features of "a sampling generator adapted to compile … a daily input of supplier invoice data into a weekly statistical sample of supplier invoices … wherein said sampling size equals exactly a total number of all supplier invoices compiled in said data processing system" as defined by independent claim 8.

Therefore, it is Applicants' position that the prior art of record does not teach or suggest many features defined by independent claims 1, 8, 14 and that such claims are patentable over the prior art of record. Further, it is Applicants' position that dependent

claims 3-7, 9-13, and 16-20 are similarly patentable, not only because of their dependency from a patentable independent claims, but also because of the additional features of the invention they defined. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections.

II.   Formal Matters and Conclusion

In view of the foregoing, Applicants submit that claims 1, 3-14, and 16-20, all the claims presently pending in the application, are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 50-0510.

Respectfully submitted,

Dated: October 31, 2007   /Duane N. Moore/
Duane N. Moore
Registration No. 53,352

Gibb & Rahman, LLC
2568-A Riva Road, Suite 304
Annapolis, MD 21401
Voice: (410) 573-6501
Fax: (301) 261-8825
Customer Number: 29154

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